

analysis than has been done in the past. The Police Department did apply for a grant, but their request is being held up by the State Budget process, therefore the Department is asking the Warrant Committee to fund this request.

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- Member Brusch wondered if there was automatic equipment that could be used instead since this device currently uses personnel to operate the hand-held counter. Member Tillotson noted this device is necessary to count and maintain a log of the traffic. Mr. Stratford pointed out the complexity of the equipment and added would be better to have personnel there to make sure it is working correctly. He also pointed out this has other uses and will serve the Town for the future as well.

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- • *Member McCormick made a motion, Member White seconded said motion and it was voted unanimously to transfer \$1,700 from the Reserve Fund to the Police Department.*

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- ***FY04 Budget***

- Town Administrator Kleckner updated the Committee on the status of the FY04 Budget process. The FY04 Budget Projection assumes a 10% reduction in the major State Aid accounts, although the 10% may not be enough. The State is saying it may be up to a 20% reduction. The assumptions are not expected to change until Town Administrator Kleckner submits his recommendations around the 2nd or 3rd week of January.

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- Mr. Missal confirmed the Schools budget is about \$28.2 million for FY04. Member McCormick pointed out the Town's projected shortfall in FY04's budget (*Handout 2*).

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- Member Oates was concerned about the amount budgeted for road spending, and Selectman Brownsberger noted the Board of Selectmen would be discussing this issue on Monday night (12/9/02) with Town Engineer Tom Gatzunis.

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- ***Long-term Budget Projections***

- Member White passed out the "5 Year Forecast Key Assumptions" (*Handout 4*) as a discussion document. On the revenue side, a modest increase backup of 3% for motor vehicle excise tax is assumed. State Aid is showed as dropping \$700K, almost 10%. There is still no McLean budgeted either on revenues or expenditures (leaving a net of zero). Member Heigham asked if McLean is still making a payment in lieu of taxes. Member White answered they are still paying ~\$500K yearly.

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- Salaries are projected as an increase of 4%, with the Schools salaries increasing an average of 4.2% (does not include steps or savings in staff attrition), and the Town expecting to increase less than 4%. There is a separate Committee meeting tomorrow night (12/5/02) on labor contracts.

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- Member White noted the salary number for FY03 is a budgeted number and the actual is running about \$200K below that level at this point, due to unfilled positions.

Health Insurance is assumed an increase of 12% with an \$800K tail or a “catch up period” for the indemnity plan's cancellation.

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- Special Education (SPED) continues to increase. Member White built in a 16.5% increase in Special Education tuition in his long-range projection, but Dr. Missal informed the Committee that the actual increase for FY04 will be 18.3%. It comes down to what will happen with salaries and health care and secondarily with State Aid. Member Hofmann asked if SPED's increased costs are due to State mandated programs that are being put on Belmont and other towns. Mr. Missal pointed out this increase is only for existing replacements carried forward one year less those students expected to graduate. It does not cover new students or in-house services provided through aides or other services. Mr. Stratford said this might be a good time to lobby the DOE for changes. Selectman Brownsberger agreed and noted it has been a constant conversation with the local State Representatives.

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- Member Curtis said it seems unlikely that in the next 5 years we won't see some progress in the issues of health care and SPED because it's true everywhere affecting every Town. Member Bruschi said along with lobbying our local representatives, we also need to contact our incumbent Governor. Town Accountant Hagg said she and Treasurer Freiner have been receiving emails from Governor-elect Romney's transitional team looking for ideas. Town Accountant Hagg said she would be glad to submit any ideas to this transitional team.

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- Member Curtis asked Mr. Stratford if the School Committee has come up with what they think would make sense to structurally change SPED. Mr. Missal responded they hope the 50/50 residential cost-share program will remain in place or that the new circuit breaker law be funded. The circuit breaker has a divided opinion in school districts depending on who is benefiting from it. He would have to check with Superintendent Holland to see where Belmont fits in the circuit breaker point. The costs of these placements are “exorbitant.” As an example, school districts are picking up medical costs that should be picked up by other State agencies. Dr. Missal noted that we try to control costs by being a member of the LABBB Collaborative. The tuition for a student placed in a LABBB program is an average of a \$19K placement versus a \$40K private placement. There is an unusual influx of students with Asperger's (autism) disease coming in to the system at age 3 and staying long-term. Mr. Stratford noted there has been a lot of lobbying done on these issues. Belmont's participation in SPED has had stringent and consistent eligibility requirements.

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- The Committee continued to discuss further options and other issues of SPED.

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- Member White said the FY04 Budget is based on FY03 *estimated actual*, not on the FY03 Budget. Town Accountant Hagg agrees with the theory, but because of the 53 weeks, she expects Departments to spend right to the end. FY04 has 52.6 weeks. It must be reinforced to Departments the FY03 Budget is not the same as the FY03 estimated actual.

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- Member White noted there has been a netting of expenses against revenues in some instances, and the Town and Schools should be segregating those figures. Just as Town revenues are separated from Town expenditures, Schools should also be considered separately. Mr. Missal said there is \$800K in offsetting revenues for the Schools. Some of them have restrictions by State law on how they are used. For example, Belmont is required to set up a School Choice Revolving Account. Four salaries (one from each major department at the High School) are now being charged against that Revolving Account. Athletic Fees are also done in the same manner of total cost less what is received resulting in a net budget. Mr. Missal does not see how those expenditures and revenues can be segregated out. Chairman Widmer explained the Committee is not asking the Schools to break legal obligations, but to budget expenditures such as salaries all grouped together aside from revenues.

- Selectman Mahoney agreed attrition and salary increase should be considered separately during labor negotiations. That way, in case either changes, it will be easy to determine what affect each will have to the Budget.

- Member Schafer cited an example of the \$1,700 for the Police Department and grant money. Member White is not proposing the School Department lose credit for their \$800K of offsetting revenues in any way. He wants to have a vehicle to find where, for example, those four teachers salaries went to now become a part of School Choice. He would like to clearly compare expenses as apples to apples.

- Member Brusch said one thing we saw this year is the Tobacco Grant money got eliminated, and consequently the Tobacco position was eliminated. She would like to see those grant revenues match up with their expenditures. She added we have to be making people aware of how grants are funded.

- Member Schafer asked about the Library Trust Fund, and where that money shows up on the budget. She questioned whether the Warrant Committee should be seeing those monies as well. In addition to grants, there are other sources of funding out there, and she questioned how much the Warrant Committee should know about.

- Selectman Mahoney noted the Schools have done a good job of raising money to cover programs. As an example, however, she noted an unintended consequence of raising busing fees are horrendous traffic jams at the schools. Police details are now going to be needed if the traffic does not subside. She wondered how it all balances out because a change in one program is affecting another Town department. However, Dr. Missal noted that the number of bus passes sold this year is the same as the number sold at the lower fees in previous years. Thus, the traffic jams have been an ongoing issue and is not related to the increase in bus fees. If anything, the traffic problem has been exacerbated by the increase in enrollment at the Middle School. Mr. Missal pointed out the enrollment bulge is now at the Middle School level, and it is those extra numbers that are now being driven by their parents.

- Member Curtis asked Mr. Missal when you factor an attrition savings, do you calculate and net out the cost of caring the attritioned employee for health and other fringe benefits? Mr. Missal said in the past the Schools have not, but prospectively is now in discussion with Town Administrator Kleckner and Assistant Town Administrator Munro.

- Member Bruschi suggested a few Warrant Committee members get together and get something to present to Governor-elect Romney. Mr. Stratford agreed. Member Bruschi is also concerned about basing the FY04 Budget on the FY03 estimated actual. She cited the Personnel Department as an example of a Director position not being filled which will change their estimated actual for this year but as an abnormality instead of the norm.

- Mr. White noted this is a work in progress, and he thanked Town Accountant Hagg for her work on this issue.

- ***Quarterly Budget vs. Actual Statement (previously distributed on 11/13/02)***

- Town Accountant Hagg noted the revenue coming in (7%) is very different than the expenditures going out (24%). This lopsidedness is due to real estate tax revenues coming mostly in October/November and in the Spring, and excise tax coming mostly in during February. Salaries are 14 weeks (due to the extra week) in this first quarter. Medical costs are expensed during the first quarter, which is why there is a negative line item in General Government. It is out of proportion, but it will be straightened out by next quarter. Debt Service also goes out mostly in the first quarter. It will be worse next year for debt service, due to the large bond issuance, when the debt payments of interest (semi-annually) and principal (annually) will be due each August.

- The Committee discussed other line items regarding the Quarterly Operating Statement (*Handout 1*).

- ***Cost Cutting Initiatives***

- ***Branch Libraries***

- Selectman Brownsberger updated the Committee on the Board of Selectmen meeting regarding the Branch Libraries. He noted there was strong representation in keeping the branches open.

- Mr. Stratford asked if there are any Capital Budget requests for the Branch Libraries, and Member McCormick said there were no expected capital expenditures for the Branches in FY04.

- ***Public Works Consolidation***

- Town Administrator Kleckner said there is nothing new until January on this topic, and he will update the Committee at that time.

- ***Town Owned Vehicles***

- Town Administrator Kleckner addressed a new Municipal Vehicle Use Policy (*Handout 5*) adopted by the Selectmen (on 12/2/02) and reviewed his plans to audit existing practices/use. There is an audit being done of all municipal vehicle uses to see if they comply with the new Policy. This Policy incorporates the changes discussed at the Board of Selectmen meeting on Monday night (12/2/02).

- Member White asked when the inventory would be completed. Town Administrator Kleckner said the audit would be completed around the same time as his budget recommendations will be presented which is during the 2nd or 3rd week of January. Member Oates noted Highway Superintendent Castanino would be compiling the Highway Department's listing to include fuel costs and needs of SUV-type vehicles.

- Member Hofmann addressed a couple issues that should continue to be discussed: personal use of vehicles (including commuting from home), Town seals marking municipal vehicles, the separate gas tank at 460 Concord Avenue for the Police Department, carpooling Town vehicles, paying mileage instead having employees use a vehicle, along with morale problems of who gets to use vehicles for what. Specialized vehicles (example: front-end loader) need to be carpoled and shared within the Town.

- Member McCormick thinks this is a great step forward. It wouldn't be a bad idea if at the end of the year there were a mileage report on each vehicle.

- Selectman Brownsberger said 90% of this Policy has been in place for over a decade, and the fleet listing will be a useful tool for the Board of Selectmen and the Warrant Committee for the future.

- Member Tillotson asked what is done with vehicles that are replaced and how long they are kept as a whole. Town Administrator Kleckner noted there is a high turnover of vehicles in the Police Department especially and they are traded-in most of the time. Some are auctioned by public notice. The vehicles are usually run down and not worth much at the time of trade or auction.

- Member White emphasized the need for the Town to control the vehicle inventory, not just have a listing of it.

- ***Other***

- Member Callanan asked to review the dates and schedules of the next few meetings. Chairman Widmer reviewed the next meetings will be January 8th, 15th, and 22nd.

- Selectman Brownsberger informed the outstanding claims in association with the Town Hall legal action include \$47K that is not in reserve already, along with associated legal costs. This may be a potential Reserve Fund Transfer request in the near future.

- Member Flewelling made a motion, and it was unanimously voted to adjourn the meeting at 9:26 PM.

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submitted,

Respectfully

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- Kristina E. Frizzell

- Recording Clerk